



STATE OF CONNECTICUT

INSURANCE DEPARTMENT

(Via email- kcheliotis@nsre.com)

March 24, 2016

Kostas Cheliotis
Director
Nassau Reinsurance Group
198 Bridle Path Lane
New Canaan, Connecticut 06840

Re: Proposed Acquisition of Control of PHL Variable Insurance Company, Phoenix Life and Annuity Company, and American Phoenix Life and Reassurance Company by, Davero Merger Sub Corp., Nassau Reinsurance Group Holdings, L.P., Nassau Reinsurance Group Holdings GP, LLC, Nassau Holdings, L.P., and GGCOF Executive Co-Invest Holdings Ltd. (f/k/a Nassau Holdings, GP Ltd.), Golden Gate Private Equity, Inc., and David C. Dominik (the "Applicants")
Docket No. EX 15-150.

Dear Mr. Cheliotis:

The Connecticut Insurance Department ("Department") has completed our review of the Amended and Restated Form A Statement regarding the proposed acquisition of control ("Proposed Acquisition") of PHL Variable Insurance Company, Phoenix Life and Annuity Company, and American Phoenix Life and Reassurance Company (hereinafter collectively "Domestic Insurers"), dated March 15, 2016 (the "Application"). As a result of the review, it was determined that the following incidental information is requested.

Item 2. IDENTITY AND BACKGROUND OF THE APPLICANTS

- Provide a description of the following new entities contained on the post organizational chart: NSRE Holdings, Inc., Nassau UK Ltd., Nassau Cayman, Ltd., Nassau Re (Cayman) Ltd., Nassau Reinsurance LLC, and Nassau Asset Management LLC.

Item 3. IDENTITY AND BACKGROUND OF INDIVIDUAL ASSOCIATED WITH THE APPLICANTS

- The Department acknowledges that Ms. Michele L. Coad-Shahroody is not a Director or Officer of any of the Applicants.

Item 12. FINANCIAL STATEMENTS AND EXHIBITS

- Item 12(b) states "Attached as part of Exhibit 6 are unaudited financial statements of these entities following the closing of the Proposed Acquisition for the year ended December 31, 2015 and an attestation statement from an authorized officer of such Applicants for such unaudited financial statements". Please acknowledge that these statements are as of year ended December 31, 2015 and not following the closing of the Proposed Acquisition as stated.

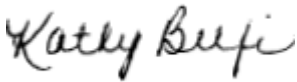
Item 14. OTHER INFORMATION

- Item 14(c) states “audited financial statements of Phoenix for the years ended December 31, 2013 through December 31, 2015”. Please acknowledge that the financial statements of Phoenix are filed for the years ended December 31, 2012 through December 31, 2014 consistent with the Exhibit list in Item 12.
- Please update Exhibit 9 – Plan of Operations For The Phoenix Companies and Five-Year Pro Forma Financial Projections of the PNx CT Entities to reflect the following:
 - Exhibit 9: Plan of Operations For The Phoenix Companies, Inc. paragraph 2 needs to be updated to include all applicants.
 - Exhibit B, Five-Year Pro Forma Financial Projections of the PNx CT Entities:
 - Assumption and Five-Year Pro Forma Financial Projections need to be revised to include actual 2015 results and the removal of dividends for American Phoenix Life and Reassurance Company and Phoenix Life and Annuity Company.
 - Assumption Page for PHL Variable Insurance Company:
 - Modify the shareholder dividend section to acknowledge the need to obtain prior approval for two years following the closing.
 - Move the second paragraph under “Shareholder Dividends” to under “Capital and Surplus” section.
 - PHL Variable Insurance Company Pro Forma Profit & Loss Statement:
 - Modify the level of separate account assets and reserves to mirror the direct amounts that will appear in the green blank and instead explicitly disclose the amount of mod-co reserves related to the FIA treaty in a footnote on the liability page.
 - The components of the 2015 ending capital and surplus are not accurate. Gross Paid In and Contributed Surplus should be 875.0 and Unassigned Surplus should be (713.0).

- PHL Variable Insurance Company Pro Forma Profit & Loss Statement:
 - The components of the 2015 decrease in surplus from 198.6 to 194.5 are not accurate. Capital increases should be 33.1 and other decreases should be (23.2).
 - The components of the 2016 decrease in surplus from 194.5 to 168.5 are not accurate. The (2) Capital Increase should be moved to the Other Decrease line.
- PHL Variable Insurance Company Pro Forma Cash Flow Statement:
 - The projected capital infusions in years 2017 and 2018 are displayed as negative dividends to stockholders rather than as capital increases. Please move to the appropriate section – Capital Increases.

We look forward to receiving this information at your earliest opportunity. If you have any questions, please feel free to contact me at 860-297-3968 or by email at kathy.belfi@ct.gov.

Regards,



Kathy Belfi, CPA
Director Financial Regulation

cc: Sam S.F. Caligiuri, Esq. - Day Pitney
Michael D. Devins Esq. - Debevoise & Plimpton LLP
Stephen D. Oetgen Esq. - Golden Gate Private Equity Inc.
Joan Nakano - CID
Jon Arsenault, Esq. - CID
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